

June 10, 2021

**FOR ACTION****I. REQUEST**

Approve an Award of Federal and State Low Income Housing Tax Credits from the State's 2021 Volume Cap to: (1) Villages of La'i'opua Located in Kona, Hawaii, TMK Nos.: (3) 7-4-028: 062 through 085; (2) Kaiāulu O Halele'a Apartments Phase IB Located in Kihei, Maui, TMK No.: (2) 2-2-024-033; and (3) Meheula Vista IV Located in Mililani, Oahu, TMK No.: (1) 9-5-002: 060 CPR 0004

**II. FACTS**

- A. The Tax Reform Act of 1986 established the Low Income Housing Tax Credit (LIHTC) Program, which replaced tax incentives for low-income housing investments. The 1993 Budget Act granted permanent authority to the LIHTC Program.
- B. The LIHTC Program permits eligible taxpayers to claim tax credits on their federal income tax return for qualified expenditures on construction, acquisition, or rehabilitation of affordable rental units.
- C. Only a designated state or local housing credit agency can allocate LIHTC. The designated agency for the State of Hawaii (State) is the Hawaii Housing Finance and Development Corporation (HHFDC).
- D. HHFDC publishes a Qualified Allocation Plan (QAP), which includes criteria for evaluating and allocating LIHTC. The QAP also includes the procedures to monitor compliance of projects that receive a LIHTC allocation.
- E. To qualify for LIHTC, a project must meet the following general guidelines in addition to other program requirements as mandated under Internal Revenue Code (IRC) Section 42.
  - 1. LIHTC is available only for units rented to low-income occupants.
  - 2. A project must have at least:
    - a) 20% of its units rented to households with incomes 50% or less than area median gross household income (AMGI); or
    - b) 40% of its units rented to households with incomes 60% or less than AMGI.

The United States Department of Housing and Urban Development (HUD) establishes the AMGI for each county annually. HUD considers family size in the AMGI calculation.
  - 3. Restrictions on low-income rents are based on the number of bedrooms in a unit and adjusted by a utility allowance.

4. Projects must comply with the rental rate and household income restrictions for a minimum of 30 years.
  5. All units must be available to the general public.
- F. HHFDC must evaluate projects to award the least amount of LIHTC necessary to make a project feasible.
- G. There is an annual limit on the amount of volume cap (9%) LIHTC allocated by each State, the District of Columbia, Puerto Rico, and United States Possessions. The annual per capita limit for 2021 is \$2.8125. HHFDC has the following amounts of 9% LIHTC available to allocate for the 2021 calendar year:

	<b>Federal LIHTC (over 10 years)</b>	<b>State LIHTC<sup>1</sup> (over 5 years)</b>
Hawaii's 2021 LIHTC Ceiling	\$3,957,204	\$3,957,204
2020 Unused Credits	\$449,168	\$449,168
LIHTC Returned in 2020	0	0
<b>Total 2020 LIHTC</b>	<b>\$4,406,372</b>	<b>\$4,406,372</b>

<sup>1</sup>State LIHTC is over 5 years vs. 10 years for Federal LIHTC.

- H. The deadline for applications requesting 2021 9% LIHTC was February 17, 2021. HHFDC received eight (8) 9% LIHTC applications requesting \$9,936,834 in Federal LIHTC over 10-years and \$9,936,834 in State LIHTC over 5-years. The 2021 9% LIHTC requests are as follows:

<b>Project (Applicant)</b>	<b>LIHTC</b>		<b>RHRF</b>
	<b>Federal (over 10 years)</b>	<b>State (over 5 years)</b>	
Hale O Pi'ikea I (Ikenakea Pi'ikea, LP)	\$1,419,842	\$1,419,842	\$21,660,000
Hale O Pi'ikea II (Ikenakea Pi'ikea II, LP)	\$1,545,870	\$1,545,870	\$18,900,000
Hale Ola (Hale Ola Varsity, LP)	\$796,961	\$796,961	\$0
Hocking Hale (Hocking Building, LP)	\$700,298	\$700,298	\$12,350,000
Kai Olino (Okupu Partners, LP)	\$1,882,350	\$1,882,350	\$0
Kaiāulu O Halele'a Apartments Phase 1B (A0721 Kihei, L.P.)	\$1,624,000	\$1,624,000	\$9,240,000
Meheula Vista IV (Meheula Vista IV, LP)	\$847,513	\$847,513	\$5,660,000
Villages of La'i'opua (A0714 Kona, L. P.)	\$1,120,000	\$1,120,000	\$2,628,000
<b>Totals</b>	<b>\$9,936,834</b>	<b>\$9,936,834</b>	<b>\$70,438,000</b>

III. DISCUSSION

- A. Development Branch received copies of the applications for review and scoring.
- B. HHFDC used the criteria and guidelines of the 2021 QAP to evaluate the applications. The QAP states:

“The allocation plan utilizes a point system to facilitate project ranking based on the established evaluation criteria. The point system is an important component in determining project ranking. However, the point system may not be the sole determining factor for LIHTC awards. In addition to the point system, HHFDC may consider other relevant factors that it deems to be in the best interest of affordable housing in the State of Hawaii, including but not limited to:”

- 1. Development team experience and performance;
- 2. Financial condition and performance;
- 3. Related developments;
- 4. Development timing;
- 5. Tenant health and safety;
- 6. “At-risk” conversions;
- 7. Housing Inventory;
- 8. Affordable housing policies at the State and County levels;
- 9. Development and operating budgets; and
- 10. Market conditions

“The amount of LIHTC reserved or allocated to a particular project will be limited to the minimum amount the HHFDC, in its sole discretion, deems necessary to make the project feasible.”

- C. Additionally, applicants must meet all Minimum Thresholds detailed in Section III (B) of the QAP to receive consideration. **Failure to meet any Minimum Threshold results in application rejection.**
- D. HHFDC used the Criteria Point System detailed in Section III (D) of the QAP to score and evaluate applications. There are 18 scoring criteria with a maximum possible score of 120 points.
- E. The following projects failed one or more Minimum Thresholds and are ineligible for an allocation or award of 9% LIHTC:

Project (Applicant)	Threshold Failure
Kai Olino (Okupu Partners, LP)	1. Market Study: failure to provide Market Study for the project. Market Study provided was for another project.

F. The remaining seven (7) applicants received the following scores under the Criterial Point System:

Project (Applicant)	Points Received
Hale O Pi'ikea I (Ikenakea Pi'ikea, LP)	93.61
Hale O Pi'ikea II (Ikenakea Pi'ikea II, LP)	89.33
Villages of La'i'opua (A0714 Kona, L. P.)	86.09
Kaiāulu O Halele'a Apartments Phase 1B (A0721 Kihei, L.P.)	85.65
Meheula Vista IV (Meheula Vista IV, LP)	82.91
Hocking Hale (Hocking Building, LP)	78.46
Hale Ola (Hale Ola Varsity, LP)	74.24

G. See Exhibit A for a scoring summary.

H. HHFDC recommends bypassing the 1<sup>st</sup> and 2<sup>nd</sup> place scored projects (Hale O Pi'ikea I and Hale O Pi'ikea II). HHFDC recommends 9% LIHTC awards for only: (i) Villages of La'i'opua; (ii) Kaiāulu O Halele'a Apartments Phase 1B; and (iii) Meheula Vista IV. This recommendation is based on the Criteria Point System scoring hierarchy, project feasibility, 9% LIHTC availability, and housing interests in the State of Hawaii. Refer to Exhibits B through G for summaries, review, maps, and pictures of the recommended projects.

Note: The recommendation to bypass Hale O Pi'ikea I is based on the specific use of its large community facility (9,740 sq ft) as it pertains to being “reasonably required and functionally related” to the residential units. The applicant did not provide a clear enough explanation to staff regarding restrictions for the use of the community space being exclusively for residents of the project. The recommendation to bypass Hale O Pi'ikea II is based on the evidence of site control and details pertaining to their option agreement. Specifically, the seller is retaining the commercial/retail space. It should be noted that both projects also submitted an application for Hula Mae Multi-Family Tax Exempt Bond structures. Therefore, further discussions with the project developer shall continue to consider them for a possible 4% LIHTC award.

I. The 6<sup>th</sup> place scored project (Hocking Hale) was considered for a possible LIHTC award. However, deferral of a LIHTC award is recommended at this time due to the change in 2021 restricted maximum rents, which has adversely affected their debt service ratio. The RHRF loan request, as submitted in the application, could not be underwritten with the proposed change in max rents and cash flow. However, further discussions with the project developer shall continue to see if mutually agreeable terms and conditions can be reached.

J. The 7<sup>th</sup> place scored project (Hale Ola) is not being considered for a possible LIHTC award as it does not appear to be an efficient use of resources at this time.

1. Overall ranking under the QAP of 8<sup>th</sup> place, respectively out of 8.
2. The high cost per Sq. Ft. of \$921.55 per unit.

3. Developer is offering a Co-op for the first right of refusal option to purchase. Co-ops generally have higher fees. In addition, the Co-op board will be able to vote on who will be an owner. They will be able to decide who will be able to purchase the unit.

K. Summary table of LIHTC award recommendation:

Project (Applicant)	Non- Profit Set- Aside	Qualified Contract Waiver	LIHTC Units	2021 Federal LIHTC (over 10-ysr)	2021 State LIHTC (over 5-ysr)
Villages of La'i'opua	Y	Y	24	\$1,120,000	\$1,120,000
Kaiāulu O Halele'a Apartments Phase IB	Y	Y	55	\$1,624,000	\$1,624,000
Meheula Vista IV	Y	Y	75	\$847,513	\$847,513

- L. Following the 9% LIHTC award recommendations, \$814,859 in Federal 9% LIHTC and \$814,859 in State 9% LIHTC remains. Barring any further awards, HHFDC shall carryover the remaining 9% LIHTC to 2022 for future allocation. Applicants failing to receive a 2021 9% LIHTC award may choose to re-apply for 9% LIHTC consideration in a future identified funding round (subject to availability).

#### IV. RECOMMENDATION

That the HHFDC Board of Directors approve the award of Federal and State 9% LIHTC to the following projects in accordance with the QAP and subject to the terms and conditions specified in this section, Section II Subsection E, and Exhibit H of this For Action.

A. The Villages of La'i'opua project:

1. Allocation of up to \$1,120,000 in annual Federal 9% LIHTC over a 10-year period and \$1,120,000 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:
  - a) Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, shall not exceed \$904,688.

B. The Kaiāulu O Halele'a Apartments Phase IB project:

1. Allocation of up to \$1,624,000 in annual Federal 9% LIHTC over a 10-year period and \$1,624,000 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:
  - a) Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, shall not exceed \$2,156,000.


C. The Meheula Vista IV Project:


1. Allocation of up to \$847,513 in annual Federal 9% LIHTC over a 10-year period and \$847,513 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:
  - a) Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, shall not exceed \$1,620,000.

D. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Attachments:

- Exhibit A - Scoring Summary
- Exhibit B - Villages of La'i'opua Project Summary
- Exhibit C - Villages of La'i'opua Project Map and Pictures
- Exhibit D - Kaiāulu O Halele'a Apartments Phase IB Project Summary
- Exhibit E - Kaiāulu O Halele'a Apartments Phase IB Project Map and Pictures
- Exhibit F - Meheula Vista IV Project Summary
- Exhibit G - Meheula Vista IV Project Map and Pictures
- Exhibit H - Conditions of the LIHTC Award
- Exhibit I - Submittal Form and Requirements for IRS Form 8609 (subject to update and change)

Prepared by: Jamie Aqui, Finance Specialist 

Reviewed by: Christopher Oakes, Finance Specialist II 

Reviewed by: For Darren Ueki, Finance Manager 7PK

Approved by The Board of Directors at its meeting  
on JUNE 10, 2021, as noted on Exhibit H, #11

**FINANCE BRANCH**

Please take necessary action.


  
**EXECUTIVE DIRECTOR**

EXHIBIT A

Criteria	Description	Max	Hale O Pi'ikea I	Hale O Pi'ikea II	Hale Ola	Hocking Hale	Kai Olino	Kaiaulu O Halelea 1B	Meheula Vista IV	Villages of La'iohua
		Points	Points	Points	Points	Points	Points	Points	Points	Points
1A	LIHTC Efficiency Use	5.00	2.78	2.22	0.00	2.22	0.00	0.00	3.89	0.00
1B	LIHTC Leveraging	5.00	4.00	4.00	0.67	4.00	2.00	2.67	2.67	1.33
2	County Income Adjustor	4.00	2.20	2.20	0.00	0.00	2.70	2.20	0.00	4.00
3	Overall project feasibility. (Max 22 pts.) Development Branch: Reasonable Development Costs w/o Land Reasonable Development Costs w/ Land Readiness to Proceed Tenant Services and Amenities	4.50 4.50 10.00 3.00	0.00 4.13 6.00 2.50	0.00 3.41 6.00 2.50	0.00 2.07 9.00 0.50	0.00 4.24 5.00 1.00	0.00 4.50 6.00 2.00	0.00 3.28 5.50 2.00	0.00 8.85 10.00 1.50	0.00 4.26 10.00 0.50
4	The ratio of developer fee and developer overhead as a percentage of total project cost.	7.00	7.00	7.00	7.00	5.00	1.00	7.00	3.00	7.00
5	New, first-time project-based rental assistance subsidy allowing eligible tenants to pay approx. 30% of monthly income towards rent.	7.00	N/A	N/A	N/A	N/A	2.98	N/A	N/A	N/A
6	Local Government Support. (Not General Support Letters; Exhibit 26 - Financing Commitment Letters)	6.00	6.00	6.00	0.00	0.00	3.00	6.00	3.00	3.00
7	Energy Efficiency and Green Building. (Project can only score in one category).	4.00	3.00	3.00	3.00	2.00	4.00	3.00	2.00	3.00
8	Project Location and Market Demand (Max. 6 pts.) Development Score - Locational Considerations Development Score - Mass Transit	4.00 2.00	3.00 2.00	3.00 2.00	4.00 0.00	4.00 2.00	3.00 2.00	3.00 2.00	2.00 0.00	3.00 0.00
9	Developer Experience (Max. 7 pts.) Total LIHTC placed in service Total Hawaii LIHTC placed in service Total LIHTC managed by Management Agent Total HI LIHTC managed by Management Agent	2.00 2.00 2.00 1.00	2.00 2.00 2.00 1.00	2.00 2.00 2.00 1.00	1.00 2.00 2.00 1.00	2.00 2.00 2.00 1.00	2.00 2.00 2.00 1.00	2.00 2.00 2.00 1.00	2.00 2.00 2.00 1.00	2.00 2.00 2.00 1.00
10	Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
11	Project will give preference to tenant populations	2.00	2.00	0.00	0.00	1.00	2.00	2.00	0.00	2.00
12	Tenants with special housing needs	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00
13	Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.	10.00	10.00	9.00	10.00	10.00	5.25	10.00	9.00	10.00
14	Non-Profit participation and set-aside election, as defined in Section 42 of the IRC	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
15	Developer will provide opportunity for homeownership	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
16	Project is located in a qualified census tract and contributes to a concerted community revitalization plan as determined by HHFDC	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
17	Project will preserve the historic nature of an existing building on a national or state historic registry	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Qualified Contract Waiver	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Total Score			93.61	89.33	74.24	78.46	77.43	85.65	82.91	86.09
Rank			1	2	8	6	7	4	5	3

PROJECT SUMMARY

PROJECT NAME:	Villages of La'i'opua		
APPLICANT:	A0714 Kona, L.P.		
TMK AND LOCATION:	TMK Nos.: (3) 7-4-028: 062 thru 085 Ohelokai Place and Kawelu Place Kona, HI 96740		
LAND TENURE:	Leasehold Fee Owner: Department of Hawaiian Homelands		
PROJECT TYPE:	New Building		
TARGET POPULATION:	Family		
LENGTH OF AFFORDABILITY:	65 Years: Execution of a first right of refusal unit purchase option by a project tenant, or purchased by a qualified buyer, satisfies the affordability commitment of the corresponding individual unit after the initial 15-year LIHTC compliance period in accordance with IRC Section 42.		
AFFORDABILITY RESTRICTIONS:	3 units @ 30% AMGI 3 units @ 40% AMGI 18 units @ 60% AMGI <hr/> 0 Manager's Unit 24 Total Units		
PROJECTED UNIT AND RENT MIX:	Units	Unit Type	Rent / Mo.*
	2	3-Bedroom Unit	\$348
	2	3-Bedroom Unit	\$565
	13	3-Bedroom Unit	\$998
	1	4-Bedroom Unit	\$368
	1	4-Bedroom Unit	\$610
	5	4-Bedroom Unit	\$1093
	0	Manager's Unit	N/A
	*Net of Utility Allowance		
ESTIMATED COMPLETION:	First Building – April 2022 Project Completion (Last Building) – August 2022		
TYPE OF CONSTRUCTION:	24 single-family homes including a garage for each home. Wood framing on concrete slab on grade foundation. Composition asphalt shingle roofing.		
AMENITIES AND SERVICES:	Project Amenities: none. Unit Amenities: range, refrigerator, disposal, dishwasher, and washer/dryer hook-ups.		
FLOOR AREA:	47,921 sq. ft. Residential Area <hr/> 0 sq. ft. Common Area 47,921 sq. ft. Total		
DEVELOPER:	A0714 Kona, L.P. Contact – Doug Bigley 2000 E. 4 <sup>th</sup> St., Ste. 220 Santa Ana, CA 92705 (323) 351-7700		
CONTRACTOR:	To Be Determined		

EXHIBIT B



PROPERTY MANAGER:	ThirtyOne50 Management LLC Contact – Kyle Beach 555 Kaiwahine St. Kihei, HI 96753 (808) 206-9322
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HHFDC FINANCING:

LIHTC REQUEST:	Federal:	\$1,120,000	State:	\$1,120,000
(per unit)	(over 10-years)	\$46,667	(over 5-years)	\$46,667

RHRF REQUEST:	Up To:	\$2,628,000
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HMMF REQUEST:	Up To:	N/A
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SITE WORK COST (NEW BUILDING):	Total: \$0.00	Per Unit: \$0.00	PSF: \$0.00	PSF Avg:.* Avg.: \$40.84 Low: \$6.37 High: \$95.65
VERTICAL COSTS (NEW BUILDING):	Total: \$9,947,368	Per Unit: \$414,474	PSF: \$207.57	PSF Avg:.* Avg.: \$293.94 Low: \$170.84 High: \$445.21
CONTRACTOR PROFIT (NEW BUILDING):	Total: \$1,243,420	Per Unit: \$51,809	PSF: \$25.95	PSF Avg:.* Avg.: \$25.01 Low: \$39.36 High: \$60.39
CONSTRUCTION COST (NEW BUILDING):	Total: \$11,190,788	Per Unit: \$466,283	PSF: \$233.52	PSF Avg:.* Avg.: \$374.13 Low: \$209.45 High: \$510.98

\* Cost Average based on 2021 Applicant Cost for New Building.

PROJECT COST:	Total:	\$16,008,000	Per Unit:	\$667,000	PSF:	\$334.05
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FINANCING STRUCTURE:		Interim	Permanent
	Sponsor Equity	\$ 0	\$ 0
	LIHTC Equity	707,457	13,103,054
	Senior Loan – Interim/Perm	11,929,000	240,000
	RHRF	2,528,000	2,628,000
	DHHL	31,793	31,793
	Deferred Developer Fee	723,750	5,153
	Other Deferred Costs	88,000	0
	Total	\$ 16,008,000	\$ 16,008,000

EXHIBIT B

PROJECT BUDGET:

	Amount	%
Acquisition	\$ 24	0.01%
Construction – Sitework	0	0.00%
Construction – Vertical	9,947,368	62.14%
Construction – Contractor Profit	1,243,420	7.77%
Interim & Soft Costs	1,681,050	10.50%
Financing & Syndication Costs	1,128,000	7.04%
Developer’s Fee	723,750	4.52%
Developer’s Overhead	180,938	1.13%
Project Reserves	88,000	0.55%
Contingency	1,015,450	6.34%
Total	\$ 16,008,000	100.00%

DEVELOPMENT:

1. Villages of La’i’opua (Project) is a proposed development of 24 single family homes targeted for families with 60% AMGI and below. Existing tenants will have a first right of refusal purchase option available to at the end of the initial 15-year LIHTC compliance period. Units that are not sold shall continue as LIHTC rental units until the earlier of: (i) the end of the affordability period; (ii) tenant execution of their first right of refusal purchase option; (iii) voluntary tenant lease termination or non-renewal and sale of the corresponding unit to a household qualified under the unit’s designated AMGI; or (iv) involuntary tenant lease termination or non-renewal for good cause and sale of the corresponding unit to a household qualified under the unit’s designated AMGI.
- a. IRC Section 42 stipulates a “Minimum Purchase Price” of the outstanding debt secured by the building and all federal, state, and local taxes attributable to such a sale.

b. The Applicant’s predetermined sales price is the higher of: (i) an “Affordable Sales Price” calculation described in this section and based on the Multifamily Tax Subsidy Project Income Limits (Income Limit) published by the U.S. Department of Housing and Urban Development (HUD) in effect on the 1<sup>st</sup> day after the end of the initial 15-year compliance period (subject to HUD updates) or (ii) the IRC Section 42 Minimum Purchase Price.
- i. Affordable Sales Price = calculated qualifying loan amount based on the Monthly Principal and Interest Payment, Interest Rate, and Amortization Period described below.

ii. Monthly Payment = 30% of the Income Limit correlating to a unit’s AMGI designation for Hawaii county (in line with HUD’s housing expense guideline) ÷ 12. Household size = number of bedrooms of the subject unit x 1.5 (in line with HUD’s guideline of 1.5 people per bedroom for affordable rent calculations).

iii. Interest Rate = Bank of Hawaii’s published 30-year, fixed rate, FHA interest rate on the 1<sup>st</sup> day after the end of the initial 15-year compliance period (updated monthly on the 1<sup>st</sup> of the month for each month thereafter until all units are sold).

iv. Amortization Period = 30-years.

EXHIBIT B

- c. The Applicant shall apply unit sales proceeds in the following order:
  - i. Payment of taxes, title and escrow costs (2.0% estimate).
  - ii. Payment of sales costs not owed to the Applicant, project owner, or other partners or members of the project owner (2.5% estimate).
  - iii. Payment of DHHL stipulated sales costs (3.5% estimate).
  - iv. Payment of sales costs owed to the Applicant, project owner, or other partners or members of the project owner (4.0% estimate).
  - v. Repayment of principal, interest, and fees outstanding under the RHRF loan (all remaining sales proceeds until full satisfaction of the RHRF loan).
  - vi. Only after full satisfaction of the RHRF loan and availability of sales proceeds: Payment of obligations under Department of Hawaiian Homelands (DHHL) funds provided to the Applicant.
  - vii. Only after full satisfaction of the RHRF loan and availability of sales proceeds: payment of any excess proceeds to DHHL (75%) and Ikaika Ohana (25%).
2. The land underlying the Project is owned by DHHL. As such, tenants and potential unit owners, are subject to native Hawaiian blood quantum requirements, as determined by DHHL. The applicant received the following counsel opinions:
  - a. The proposed native Hawaiian preference does not violate HUD's non-discrimination provisions under fair housing and civil rights statutes and regulations and
  - b. The proposed native Hawaiian preferences does not violate the general public use requirement of IRC Section 42.

#### DEVELOPMENT TEAM:

1. A0714 Kona, L.P. (Applicant) is a single asset, real estate holding company, specifically established to develop, own, and operate the Project. The General Partners of the project are FP Holdings LLC and NP Holdings LLC. The sole member of FP Holdings LLC is UHC H4 LLC and the sole member of NP Holdings LLC is Ikaika Ohana, a 501(c)(3) corporation.
  - a. The managers of UHC H4 LLC and Ikaika Ohana are Doug Bigley, David Bigley and John Bigley. The Bigleys are experienced affordable housing developers with a concentration in California. Their Hawaii projects include the rehabilitation of Kamana Elderly and Riverside Apartments and the new construction of Hale Makana O Nanakuli, Kaiwahine Village Phases I and II, and Villages of La'i'opua (60 single family homes).

#### FINANCING AND COSTS:

1. LIHTC, conventional financing, and RHRF funds provide the primary financing support for the Project.

### EXHIBIT B

2. Recommended award of \$1,120,000 in Federal LIHTC over 10-years and \$1,120,000 in State LIHTC over 5-years.
  - a. Applicant projects a blended investment rate of about \$0.78/LIHTC (supported by a letter of interest from Hunt Capital Partners, LLC).
  - b. Anticipated eligible basis of \$15,453,183, 130% DDA boost, and an applicable percentage of 9.00% supports the recommended LIHTC amounts.
  - c. The projected layering gap of \$13,103,054 supports the recommended LIHTC amount based on the projected investment rate.
3. \$240,000 projected permanent senior conventional loan amount (supported by a letter of interest from Hunt Capital Partners).
  - a. Applicant anticipates coverage of no less than 1.15x over a 15-year amortization period at 4.00%.
  - b. Breakeven (1.00x DSR) prompted by: (i) increase in interest rate to 23.68%; (ii) increase in vacancy to 19.62%; or (iii) decrease in average rents to \$749 from \$885 per unit.
4. \$2,628,000 RHRF Loan to support construction and permanent financing.
  - a. Expect full-repayment of RHRF loan from proceeds on the first right of refusal sale of all units to project tenants after the 15-year compliance period.
  - b. Should no units sell, \$235,158 balance at maturity (year 57) based on annual repayment of 75% of available cash flow after senior debt service at a rate of 0.25%.
5. Construction Costs are lower than the 2021 applicant average for new building construction.
  - a. Project construction cost of \$233.52 psf vs. the average 2021 new building applicant cost of \$374.13 psf.
    - i. Anticipated contractor's profit, overhead, and general requirements is 12.50% of hard construction costs, in-line with the 14.00% HUD Ceiling Standard.
  - b. \$1,015,450 contingency is 9.07% of construction costs and 6.34% of total development costs (less acquisition costs).
    - i. Applicant is deferring all Developer Fees during construction. Correspondingly, Developer Fees do not supplement contingency.
    - ii. Contingency can absorb a construction cost increase up to \$254.72 psf.

**DEMAND:**

1. Market Study submitted in the application indicates satisfactory demand for the project.

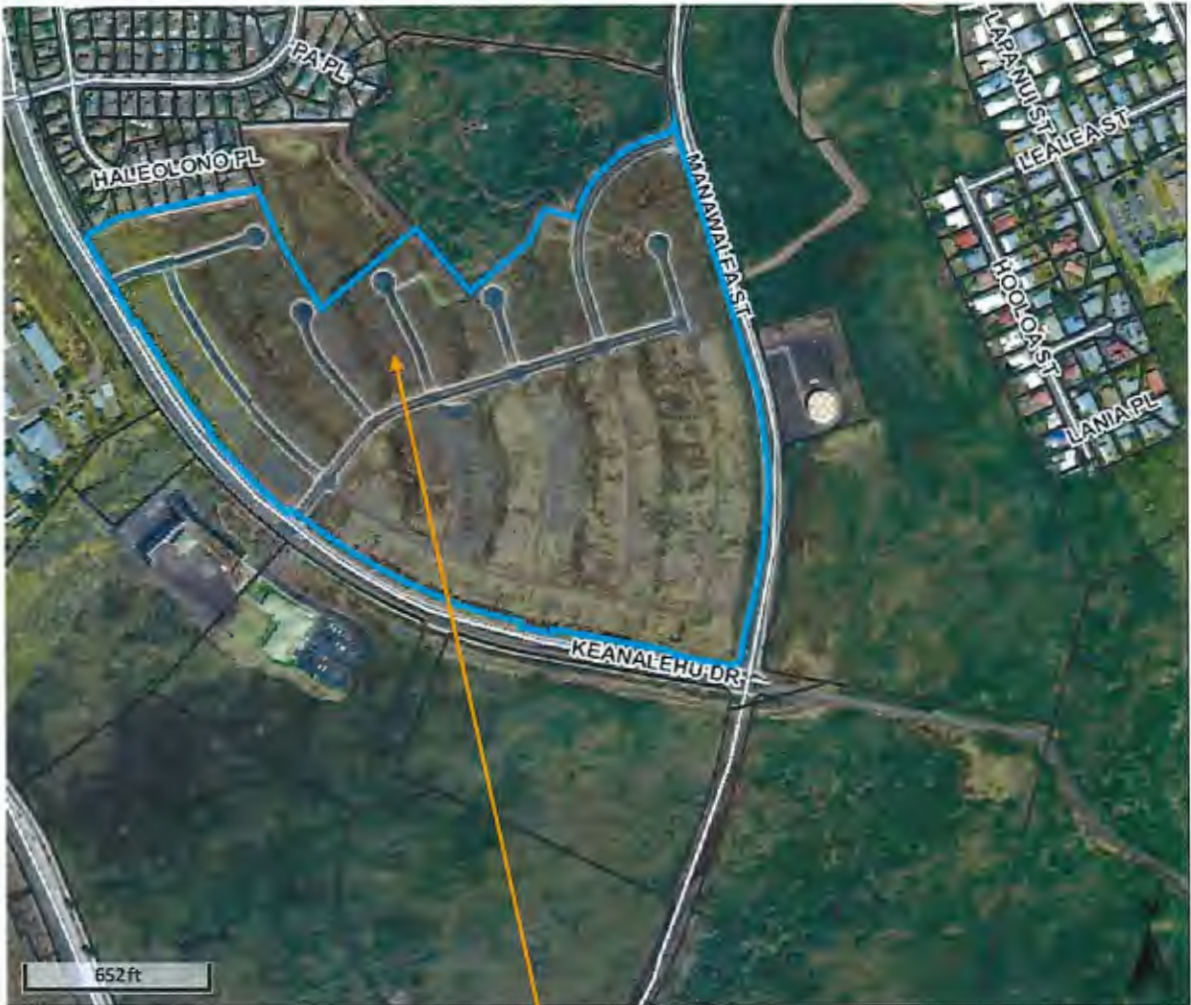
**FEASIBILITY:**

**EXHIBIT B**

- 1: Project is feasible and the assumptions are reasonable.

PROJECT MAP & PICTURES:

Villages of La'i'opua  
Ohelokai Place and Kawelu Place  
Kona, HI 96740  
TMK Nos.: (3) 7-4-028: 062 thru 085



Villages of La'i'opua





**EXHIBIT C**

PROJECT SUMMARY

PROJECT NAME:	Kaiāulu O Halele‘a Apartments Phase IB		
APPLICANT:	A0721 Kihei, L.P.		
TMK AND LOCATION:	TMK No.: (2) 2-2-024: 033 Lipoa Parkway Kihei, HI 96753		
LAND TENURE:	Fee Simple		
PROJECT TYPE:	New Building		
TARGET POPULATION:	Family		
LENGTH OF AFFORDABILITY:	65 Years		
AFFORDABILITY RESTRICTIONS:	7 units @ 30% AMGI 7 units @ 40% AMGI 41 units @ 60% AMGI <u>1 Manager's unit</u> 56 Total Units		
PROJECTED UNIT AND RENT MIX:	<i>Units</i>	<i>Unit Type</i>	<i>Rent / Mo.*</i>
	4	2-Bedroom Unit	\$556
	4	2-Bedroom Unit	\$787
	20	2-Bedroom Unit	\$1,248
	2	3-Bedroom Unit	\$623
	2	3-Bedroom Unit	\$890
	16	3-Bedroom Unit	\$1,423
	1	4-Bedroom Unit	\$673
	1	4-Bedroom Unit	\$971
	5	4-Bedroom Unit	\$1,565
	1	3-Bedroom Manager's Unit	N/A
*Net of Utility Allowance			
ESTIMATED COMPLETION:	First Building – N/A Project Completion (Last Building) – January 2023		
TYPE OF CONSTRUCTION:	Seven (7) 2-story residential buildings, with (8) units in each building. Reinforced concrete slab on grade foundation with light gauge metal or wood framing. Shingles over plywood sheathing roofing.		
AMENITIES AND SERVICES:	Project Amenities: playground/tot lot, picnic area, community meeting room shared with Phase IA, bike racks and laundry room. Unit Amenities: range, refrigerator, disposal, dishwasher, window blinds, hard surface flooring, and hook ups for cable TV & internet.		
FLOOR AREA:	62,594 sq. ft. Residential Area <u>4,425 sq. ft. Common Area</u> 67,019 sq. ft. Total		
DEVELOPER:	A0721 Kihei, L.P. Contact – Doug Bigley 2000 E. 4 <sup>th</sup> St., Ste. 220 Santa Ana, CA 92705 (323) 351-7700		
CONTRACTOR:	To Be Determined		
PROPERTY MANAGER:	ThirtyOne50 Management LLC		

EXHIBIT D



	Contact – Kyle Beach 555 Kaiwahine St. Kihei, HI 96753 (808) 206-9322
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HHFDC FINANCING:

LIHTC REQUEST:	Federal:	\$1,624,000	State:	\$1,624,000
(per unit)	(over 10-years)	\$29,527	(over 5-years)	\$29,527

RHRF REQUEST:	Up To:	\$9,240,000
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HMMF REQUEST:	Up To:	N/A
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SITE WORK COST (NEW BUILDING):	Total: \$5,600,000	Per Unit: \$100,000	PSF: \$85.05	PSF Avg: * Avg.: \$40.84 Low: \$6.37 High: \$95.65
VERTICAL COSTS (NEW BUILDING):	Total: \$16,210,526	Per Unit: \$289,474	PSF: \$246.20	PSF Avg: * Avg.: \$293.94 Low: \$170.84 High: \$445.21
CONTRACTOR PROFIT (NEW BUILDING):	Total: \$2,726,316	Per Unit: \$48,684	PSF: \$41.45	PSF Avg: * Avg.: \$25.01 Low: \$39.36 High: \$60.39
CONSTRUCTION COST (NEW BUILDING):	Total: \$24,536,842	Per Unit: \$438,158	PSF: \$372.70	PSF Avg: * Avg.: \$374.13 Low: \$209.45 High: \$510.98

\* Cost Average based on 2021 Applicant Cost for New Building.

PROJECT COST:	Total:	\$38,360,000	Per Unit:	\$685,000	PSF:	\$582.59
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FINANCING STRUCTURE:		Interim	Permanent
	Sponsor Equity	\$ 0	\$ 0
	LIHTC Equity	2,883,430	19,770,763
	Senior Loan – Interim/Perm	20,331,000	4,190,000
	RHRF	9,140,000	9,240,000
	Maui County	4,564,770	4,564,770
	Home Funds	515,800	515,800
	Deferred Developer Fee	598,000	78,667
	Other Deferred Costs	327,000	0
	Total	\$ 38,360,000	\$ 38,360,000

EXHIBIT D

PROJECT BUDGET:

	Amount	%
Acquisition	\$ 1,666,672	4.34%
Construction – Sitework	5,600,000	14.60%
Construction – Vertical	16,210,526	42.26%
Construction – Contractor Profit	2,726,316	7.11%
Interim & Soft Costs	4,384,191	11.43%
Financing & Syndication Costs	2,365,700	6.17%
Developer’s Fee	1,724,800	4.50%
Developer’s Overhead	431,200	1.12%
Project Reserves	327,000	0.85%
Contingency	2,923,595	7.62%
Total	\$ 38,360,000	100.00%

DEVELOPMENT:

1. Kaiāulu O Halele‘a Apartments Phase IB (Project) is a proposed 56-unit (includes one manager’s unit) affordable rental housing facility targeted for families. Improvements shall consist of seven (7) 2-story residential buildings. A separate building shall house the management office and laundry facility. The project will share a community meeting room with Kaiāulu O Halele‘a Apartments Phase IA.

DEVELOPMENT TEAM:

1. A0721 Kihei, L.P. (Applicant) is a single asset, real estate holding company, specifically established to develop, own, and operate the Project. The General Partners of the project are FP Holdings LLC and NP Holdings LLC. The sole member of FP Holdings LLC is UHC H4 LLC and the sole member of NP Holdings LLC is Ikaika Ohana, a 501(c)(3) corporation.
  - a. The managers of UHC H4 LLC and Ikaika Ohana are Doug Bigley, David Bigley and John Bigley. The Bigleys are experienced affordable housing developers with a concentration in California. Their Hawaii projects include the rehabilitation of Kamana Elderly and Riverside Apartments and the new construction of Hale Makana O Nanakuli, Kaiwahine Village Phases I and II, and Kaiaulu O Halelea Phase IA.

FINANCING AND COSTS:

1. LIHTC, Conventional Financing, RHRF, and Maui County funds provide the primary financing support for the Project.
2. Recommended award of \$1,624,000 in Federal LIHTC over 10-years and \$1,624,000 over 5-years in State LIHTC.
  - a. Applicant projects a blended investment rate of about \$0.81/LIHTC (supported by a letter of interest from Hunt Capital Partners).
  - b. Anticipated eligible basis of \$35,895,016, 130% DDA Boost, and an applicable percentage of 9.00% supports the recommended LIHTC amounts.

EXHIBIT D

- c. The projected layering gap of \$19,770,763 supports the recommended LIHTC amount based on the projected investment rate
- 3. \$4,190,000 projected permanent senior conventional loan amount (supported by a letter of interest from Hunt Capital Partners).
  - a. Applicant anticipates coverage of no less than 1.15x over a 35-year amortization period at 3.75%.
  - b. Breakeven (1.00x DSR) prompted by: (i) increase in interest rate to 5.71%; (ii) increase in vacancy to 12.08%; or (iii) decrease in average rents to \$1,095 from \$1,194 per unit.
- 4. \$9,240,000 RHRF Loan to support construction and permanent financing.
  - a. \$3,672,385 approximate balance due at maturity (year 55) based on annual repayment of 50% of available cash flow after senior debt service at a rate of 0.25%.
- 5. Maui County providing \$5,080,570 through its HOME, HTF, and AHF programs.
- 6. Construction Costs are in-line with the 2021 applicant average for new building construction.
  - a. Project construction cost of \$372.70 psf vs. the average 2021 new building applicant cost of \$374.13 psf.
    - i. Anticipated contractor's profit, overhead, and general requirements is 12.50% of hard construction costs, in-line with the 14% HUD Ceiling Standard.
  - b. \$2,923,595 contingency is 11.92% of construction costs and 7.97% of total development costs (less acquisition costs).
    - i. Inclusion of \$1,126,800 Developer's Fee (excludes deferred fee) increases contingency to 16.51% of construction costs and 11.04% of total development costs (less acquisition costs).
    - ii. Contingency can absorb a construction cost increase up to \$417.06 psf; including Developer's Fee (excludes deferred fee), up to \$434.17 psf.

**DEMAND:**

- 1. Market Study submitted in the application indicates satisfactory demand for the project.

**FEASIBILITY:**

- 1. Project is feasible and the assumptions are reasonable.

**EXHIBIT D**

PROJECT MAP & PICTURES:

Kaiāulu O Halele‘a Apartments Phase IB  
Lipoa Parkway  
Kihei, HI 96753  
TMK No.: (2) 2-2-024: 033

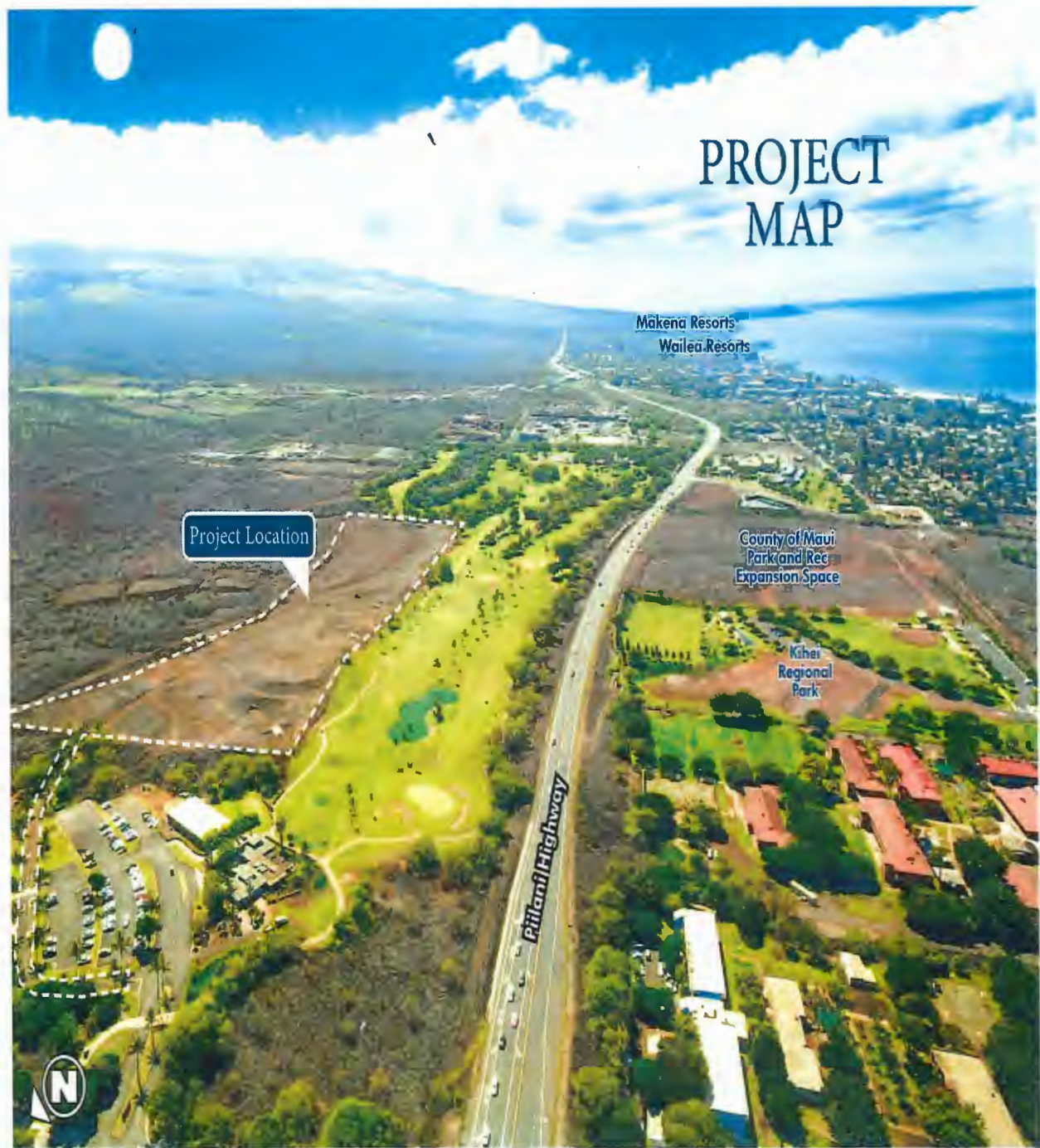


EXHIBIT E





**EXHIBIT E**

PROJECT SUMMARY

PROJECT NAME:	Meheula Vista IV		
APPLICANT:	Meheula Vista IV, LP		
TMK AND LOCATION:	TMK No.: (1) 9-5-002: 060 CPR 0004 95-1060 Lehiwa Dr Mililani, HI 96789		
LAND TENURE:	Leasehold Fee Owner – State of Hawaii - HHFDC		
PROJECT TYPE:	New Building		
TARGET POPULATION:	Elderly		
LENGTH OF AFFORDABILITY:	61 Years		
AFFORDABILITY RESTRICTIONS:	8 units @ 30% AMGI 8 units @ 50% AMGI 59 units @ 60% AMGI 0 Managers Unit <hr/> 75 Total Units		
PROJECTED UNIT AND RENT MIX:	<i>Units</i>	<i>Unit Type</i>	<i>Rent / Mo.*</i>
	8	1-Bedroom Unit	\$679
	8	1-Bedroom Unit	\$1,100
	59	1-Bedroom Unit	\$1,150
	0	Managers Unit	N/A
	*Net of Utility Allowance		
ESTIMATED COMPLETION:	First Building – N/A (One Building) Project Completion (Last Building) – 4 <sup>th</sup> Quarter 2023		
TYPE OF CONSTRUCTION:	New construction to consist of one (1) 3-story residential building. Building shall be of CMU construction with metal stud walls; light gauge steel floor framing and wood truss roof framing.		
AMENITIES AND SERVICES:	Project Amenities: picnic area, community meeting room, elevator, computer with high-speed internet access, and laundry room. Unit Amenities: range, refrigerator, and disposal.		
FLOOR AREA:	31,500 sq. ft. Residential Area <u>11,887 sq. ft. Common Area</u> 43,387 sq. ft. Total		
DEVELOPER:	Meheula Vista IV, LP Contact: Gary Furuta 1822 Keeaumoku St Honolulu, HI 96822 (808) 429-7815		
CONTRACTOR:	Castle & Cooke Homes Hawaii Contact: Garret Matsunami 680 Iwilei Road #510 Honolulu, HI 96817 (808) 548-3746		
PROPERTY MANAGER:	Locations LLC Property Management Division Contact: Kalia McKeague 614 Kapahulu Ave, Suite 102 Honolulu, HI 96815 (808) 738-3104		

HHFDC FINANCING:

LIHTC REQUEST: (per unit)	Federal:	\$847,513	State:	\$847,513
	(over 10-years)	\$11,300	(over 5-years)	\$11,300

RHRF REQUEST:	Up To:	\$5,660,000
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HMMF REQUEST:	Up To:	N/A
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SITE WORK COST (NEW BUILDING):	Total: \$1,580,000	Per Unit: \$21,067	PSF: \$36.42	PSF Avg:*
				Avg.: \$40.84 Low: \$6.37 High: \$95.65
VERTICAL COSTS (NEW BUILDING):	Total: \$10,160,241	Per Unit: \$135,470	PSF: \$234.18	PSF Avg:*
				Avg.: \$293.94 Low: \$170.84 High: \$445.21
CONTRACTOR PROFIT (NEW BUILDING):	Total: \$1,643,633	Per Unit: \$21,915	PSF: \$37.88	PSF Avg:*
				Avg.: \$25.01 Low: \$39.36 High: \$60.39
CONSTRUCTION COST (NEW BUILDING):	Total: \$13,383,874	Per Unit: \$178,452	PSF: \$308.48	PSF Avg:*
				Avg.: \$374.13 Low: \$209.45 High: \$510.98

\* Cost Average based on 2021 Applicant Cost for New Building.

PROJECT COST:	Total:	\$19,647,089	Per Unit:	\$269,961	PSF:	\$452.83
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FINANCING STRUCTURE:		Interim	Permanent
	Sponsor Equity	\$ 50,000	\$ 50,000
	LIHTC Equity	0	9,733,289
	Senior Loan – Interim/Perm	13,937,089	4,203,800
	RHRF	5,660,000	5,660,000
	Deferred Developer Fee	0	0
	Other Deferred Costs	0	0
	Total	\$ 19,647,089	\$ 19,647,089

PROJECT BUDGET:

	Amount	%
Acquisition	\$ 0	0
Construction – Sitework	1,580,000	8.04%
Construction – Vertical	10,160,241	51.71%
Construction – Contractor Profit	1,643,633	8.37%
Interim & Soft Costs	1,884,600	9.59%
Financing & Syndication Costs	1,158,615	5.90%
Developer’s Fee	1,250,000	6.36%
Developer’s Overhead	370,000	1.89%
Project Reserves	700,000	3.56%
Contingency	900,000	4.58%
Total	\$ 19,647,089	100.00%

DEVELOPMENT:

1. Meheula Vista IV (“Project”) is the fourth of a master plan 301-unit affordable senior rental housing project. The Project is a proposed 75-unit affordable rental housing facility targeted for elderly families. The Project shall consist of one (1) 3-story residential building.

Meheula Vista I, consisting of 76-units (includes 1 managers unit) received 9% LIHTC and RHRF awards in 2014. Meheula Vista II, consisting of 75-units received 9% LIHTC and RHRF awards in 2015. Meheula III, consisting of 75-units received 9% LIHTC and RHRF awards in 2017. All three phases have been completed and placed in service.

DEVELOPMENT TEAM:

1. Meheula Vista IV LP (Partnership) is a single-asset, real estate holding company specifically established to develop, own, and operate the Project. The General Partner of the Partnership is Catholic Charities MV IV LLC. The sole member of Catholic Charities MV IV LLC is Catholic Charities Housing Development Corporation (CCHDC), a 501(c)(3) corporation. CCHDC operates several affordable housing projects in Hawaii, consisting of group foster homes, transitional shelters, and other short-term housing. Meheula Vista IV will be CCHDC’s sixth project to receive an award.
2. GSF LLC/Gary Furuta is the limited partner and development consultant for the Project. Mr. Furuta has successfully developed numerous LIHTC projects in Hawaii.

FINANCING AND COSTS:

1. LIHTC, Conventional Financing, and RHRF funds provide the primary financing support for the Project.
2. Recommended award of \$847,513 in Federal LIHTC over 10-years and \$847,513 over 5-years in State LIHTC.
  - a. Applicant projects a blended investment rate of about \$0.77/LIHTC (supported by a letter of interest from Hawaii Housing Finance LLC).



- b. Anticipated eligible basis of \$16,809,963, 130% DDA Boost, and an applicable percentage of 9.00% supports the recommended LIHTC amounts.
  - c. The projected layering gap of \$9,733,289 supports the recommendation LIHTC amount based on the projected investment rate.
- 3. \$4,203,800 projected permanent senior conventional loan amount (supported by a letter of interest from Bank of Hawaii).
  - a. Applicant anticipates coverage of no less than 1.15x over a 30-year amortization period at 6.00%.
  - b. Breakeven (1.00x DSR) prompted by: (i) increase in interest rate to 8.29%; (ii) increase in vacancy to 12.86%; or (iii) decrease in average rents to \$1,003 from \$1,094 per unit.
- 7. \$5,660,000 RHRF Loan to support construction and permanent financing.
  - a. \$0 Balance at maturity based on annual repayment of 40% of available cash flow after senior debt service at a rate of 0.25%.
- 8. Construction Costs are in-line with the 2021 applicant average for new building construction.
  - a. Project construction cost of \$308.48 psf vs. the average 2021 new building applicant cost of \$374.13 psf.
    - i. Anticipated contractor's profit, overhead, and general requirements is 14.00% of hard construction costs, matching the HUD Ceiling Standard.
  - b. \$900,000 contingency is 6.72% of construction costs and 4.58% of total development costs.
    - i. Inclusion of \$1,250,000 Developer's Fee increases contingency to 16.06% of construction costs and 10.94% of total development costs.
    - ii. Contingency can absorb a construction cost increase up to \$329.22 psf; including Developer's Fee up to \$358.03 psf.

**DEMAND:**

- 4. Market Study submitted in the application indicates satisfactory demand for the project.

**FEASIBILITY:**

- 2. Project is feasible and the assumptions are reasonable

**EXHIBIT F**

PROJECT MAP & PICTURES:

Meheula Vista IV  
95-1060 Lehiwa Dr.  
Mililani, HI 96789  
TMK No.: (1) 9-5-002:060 CPR 0004



95-1080 Lehiwa Dr Mililani, HI 96789

[Get directions](#)

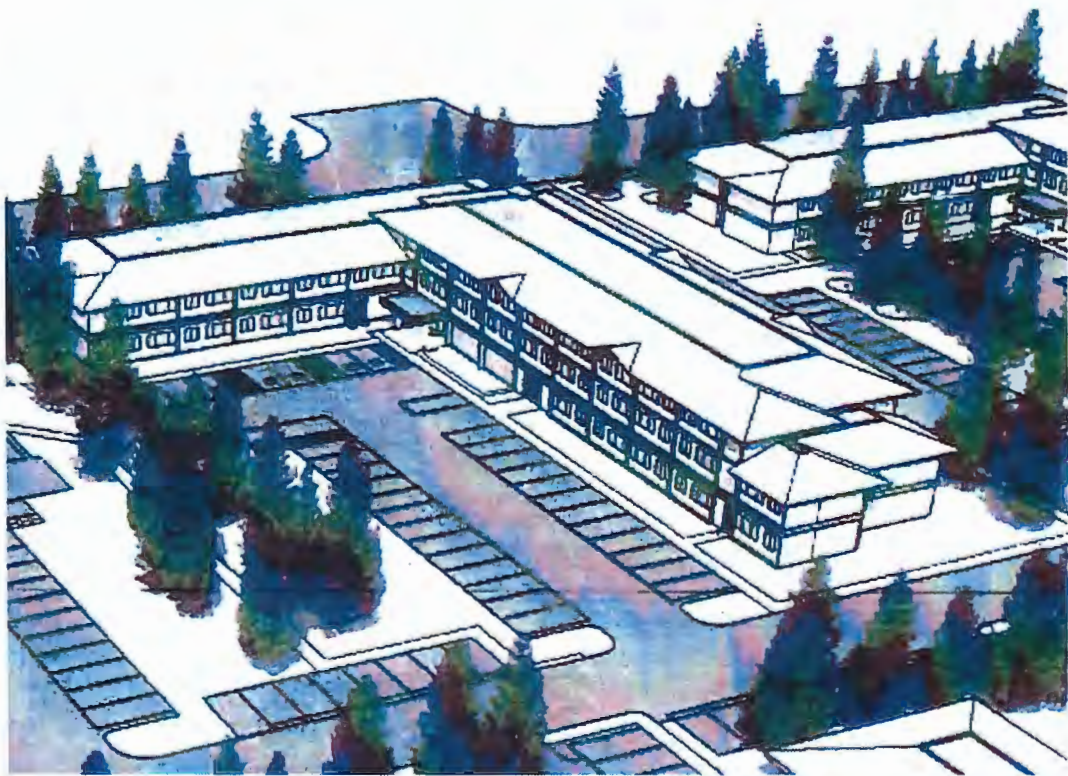


EXHIBIT G



## Conditions of Low Income Housing Tax Credit Award

The recommendation to allocate 2021 LIHTC is subject to the following general provisions.

1. Owner agrees to comply with all terms and conditions established for the LIHTC program by Internal Revenue Code Section 42 and HHFDC.
2. Owner shall provide HHFDC with a written certification as to any self-dealings, related parties, or identity of interests prior to the issuance of a binding commitment for LIHTC and upon application for issuance of IRS Form 8609.
3. Any change in the ownership structure of the project may be subject to HHFDC approval.
4. Owner agrees to and shall defend and indemnify HHFDC from all litigation that may arise out of its participation in this project. The owner shall pay all fees and costs incurred by HHFDC arising out of any litigation.
5. Owner must have fee simple or leasehold (corresponding to the HHFDC Board approval) ownership of the project site that adequately satisfies the approved affordability commitments of the project.
6. The owner shall consult with HHFDC and receive prior written approval from the Executive Director or her designated representative in order to make any changes to the project or application as proposed.
7. The owner shall comply with the requirements of all municipal, state, and federal authorities and observe all municipal, state, and federal laws including but not limited to:
  - a. The Fair Housing Act;
  - b. Chapter 343, Hawaii Revised Statutes (HRS), relating to environmental impact statements;
  - c. Chapter 103-50, HRS, relating to accessibility requirements;
  - d. Chapter 103D, HRS, relating to the Hawaii Public Procurement Code; and
  - e. Chapter 104, HRS, relating to wage and hour requirements applicable to the project and the use of State Funds.
8. The State of Hawaii's Disability and Communication Access Board (DCAB) shall review the project's final plans and specifications and HHFDC shall receive DCAB's "Final Document Review Letter" indicating that the documents appear to meet the requirements of the Uniform Federal Accessibility Standards (UFAS) or the American Disability Act Accessibility Guidelines (ADAAG) before construction starts.
9. Owner shall ensure that HHFDC receives the final as-built drawings and specifications for the project.
10. The owner agrees to provide a written quarterly status report as to the progress of the project during predevelopment, construction, and lease-up. The quarterly status report is due on the last working day of March, June, September, and December.
11. The owner shall submit a good faith deposit with HHFDC in an amount equal to 10% of the first year's federal LIHTC allocation. HHFDC shall receive the good faith deposit no later than 4:00 PM HST on ~~July 30, 2021.~~

~~June~~ EXHIBIT H



12. The owner agrees to meet the 10% expenditure requirement as described under Internal Revenue Code Section 42 as of June 30, 2022. The owner shall evidence compliance with the 10% expenditure requirement with the submission of a certification and audit by an independent Certified Public Accountant or Tax Counsel.
13. The owner agrees to waive its rights to request a Qualified Contract under Section 42(h)(6) of the Internal Revenue Code, as elected, indicated, and certified in its Consolidated Application dated February 17, 2021.
14. The owner agrees to submit the information and documents contained in HHFDC's Request for IRS Form 8609 Issuance, (see Exhibit I), and any other information and documents that may be required for the issuance of IRS Form 8609. Please note that the Request for IRS Form 8609 Issuance is subject to updates.
15. The owner shall commit the project and the land underlying the project to the requirements of: (i) Internal Revenue Code Section 42 and (ii) HHFDC's LIHTC program. If the fee simple land owner is different from the project owner, both the project owner and the fee simple land owner (except for federal, state, or county government agencies) shall commit their respective interests in the project and the land underlying the project to the requirements of: (i) Internal Revenue Code Section 42 and (ii) HHFDC's LIHTC program. The project owner and the fee simple land owner, as applicable, shall execute and record a Declaration of Restrictive Covenants for LIHTC, reflecting the Internal Revenue Code and program commitments.
16. Prior to the allocation of LIHTC and issuance of IRS Form 8609, HHFDC shall determine if the project still warrants the recommended LIHTC amount. HHFDC reserves the right to reduce the recommended LIHTC amount based on various items, including, but not limited to, lower development costs, additional funding sources, or better financing terms.
17. The owner shall not pay or disburse Developer Fees until satisfactory project completion. The owner agrees that the Developers Fees shall be made available as contingency until satisfactory project completion, should the need arise.
18. The owner is responsible for payment of all Compliance Monitoring fees.
19. Owner to provide HHFDC with an independent annual financial and compliance audit in addition to all other documents that may be required under the LIHTC program. Such audit shall include an accounting of the Replacement Reserve and Residual Receipt accounts.
20. The owner shall fund a Replacement Reserve account in an amount satisfactory to HHFDC. The Replacement Reserve shall be under the control of HHFDC for the benefit of the project/owner(s). HHFDC may agree to subordinate the requirement if the Replacement Reserve account is under the control of the Permanent Lender.
21. The owner agrees to comply with any other terms and conditions as may be required by the Executive Director or her designated representative.
22. The owner agrees and acknowledges that the allocation of LIHTC is not an endorsement of the project by the State and that the owner shall not use the allocation as an inducement in seeking other regulatory approvals.

## **EXHIBIT H**

**Hawaii Housing Finance and Development Corporation**  
**Request for IRS Form 8609 Issuance**

Once the project has been Placed-In-Service the Hawaii Housing Finance and Development Corporation can begin the final review process for issuing IRS Form(s) 8609. Please complete this form and submit all required documents listed below to the HHFDC to start the review process.

Requirements are subject to change. Please contact the Finance Branch prior to submitting the request for issuance of IRS Form 8609.

Project Name:	
Owner Name:	
General Partner / Managing Member:	
Owner Contact: <i>(Include Address, Phone #, and email address)</i>	

	Federal	State
LIHTC Awarded: (Year) Amount		
LIHTC Allocation Request*:		

\* Enter the Owner's requested amount of LIHTC for allocation on IRS Form 8609. The request LIHTC amount must be equal to or less than the amount awarded.

☐ Competitive

☐ Non-Competitive

☐ Acquisition and Rehabilitation

☐ Rehabilitation Only

Non-Profit Set-Aside? ☐ Yes ☐ No

Project and LIHTC Breakdown:	
1. <input type="checkbox"/>	Complete Table A on the last page

General Requirements:	
1. <input type="checkbox"/>	Written request from owner for issuance of the IRS Form 8609's. Include current project status including occupancy information and any work outstanding.
2. <input type="checkbox"/>	Written request from owner requesting refund of the Good Faith Deposit.
3. <input type="checkbox"/>	Proof of Placed in Service Date: (Provide all that apply) <div>a. <input type="checkbox"/> Certificate(s) of Occupancy</div> <div>b. <input type="checkbox"/> Proof of Bond Issuance Date</div> <div>c. <input type="checkbox"/> Notice of Substantial Completion (Rehabilitation Projects Only)</div> <div>d. <input type="checkbox"/> Proof of Acquisition Date (Acquisition and Rehabilitation Projects Only)</div> <div>e. <input type="checkbox"/> Affidavit of Publication – Notice of Completion</div>

General Requirements:	
4. <input type="checkbox"/>	<p><b>New Construction:</b> Submit a certification for establishment of a lottery system. The certification shall include when and where the lottery was held, and a copy of the subsequent wait list for project lease-up.</p> <p><b>Rehabilitation:</b> Submit a letter confirming the following:</p> <ol style="list-style-type: none"> <li>1. Number of tenants displaced during the rehabilitation.</li> <li>2. Duration of tenant displacement.</li> <li>3. Options that the tenants were offered during the time that their units were being rehabilitated (temporarily move to a new unit, temporarily move to a living facility nearby, etc.)</li> <li>4. Status of the tenants after the rehabilitation was completed (did the tenants move back, move out of the project prior to rehabilitation, etc.) - this is in general terms, do not need details of each tenant; for example, "Every tenant returned to their unit after the rehabilitation was complete. One tenant moved out of the property at the beginning of the rehabilitation period."</li> <li>5. Any other information that pertains to the displacement or non-displacement of the tenants.</li> </ol>
5. <input type="checkbox"/>	One full set of "as built" drawings and final specifications certified by Owner's architect.
6. <input type="checkbox"/>	Site map showing building addresses, numbers or letters (identifiers) and the number of units in each building.
7. <input type="checkbox"/>	<p>Final Review Letter from Disability and Communication Access Board.</p> <ol style="list-style-type: none"> <li>a. If there has been any change orders or revisions to the DCAB approved plans, submit a Certification from the Architect and the Project Owner that all change orders and revisions to the plans and specifications made after the date of the issuance of the Final Review Letter were submitted to and approved by the Disability and Communications Access Board.</li> </ol>
8. <input type="checkbox"/>	<p>Final Project Cost Certification <b>audited</b> by a Certified Public Accountant. The cost certification must include, at minimum, the following:</p> <ol style="list-style-type: none"> <li>a. <input type="checkbox"/> Total Project Cost Detail by Line Item based on Exhibit B of HHFDC's Consolidated Application</li> <li>b. <input type="checkbox"/> Eligible Basis Detail by Line Item based on Exhibit B of HHFDC's Consolidated Application</li> <li>c. <input type="checkbox"/> Interim Financing Sources Schedule</li> <li>d. <input type="checkbox"/> Permanent Financing Sources Schedule</li> <li>e. <input type="checkbox"/> Reconciliation of Interim Sources, Permanent Sources and Total Project Costs</li> <li>f. <input type="checkbox"/> Calculation of eligible LIHTC by building and in project aggregate. Include reconciliation of eligible LIHTC with LIHTC Allocation Request.</li> <li>g. <input type="checkbox"/> <b>Tax-Exempt Bond Projects:</b> Proof of compliance with 50% Test</li> <li>h. <input type="checkbox"/> <b>Rehabilitation Projects:</b> <ol style="list-style-type: none"> <li>i. Certification that the project met the minimum expenditure requirement of IRC Section 42(3)(A).</li> <li>ii. Identify the 24-month period allowed under IRC Section 42(3)(A) for aggregating rehabilitation expenditures.</li> </ol> </li> </ol>

## EXHIBIT I

General Requirements:	
	iii. Certification of the rehabilitation placed-in service date. HHFDC shall use this date on the Rehabilitation Form 8609.
9. <input type="checkbox"/>	Updated project proforma. Include breakdown of current and projected rents, operating expenses and debt service.
10. <input type="checkbox"/>	Final Budget Modification (to Application)
11. <input type="checkbox"/>	Copy of all executed permanent financing documents (list): 1. 2. 3.
12. <input type="checkbox"/>	Amended and Restated Partnership Agreement, setting forth such terms as the sales price, equity contribution, distributions, and all other significant terms and conditions.
13. <input type="checkbox"/>	Federal & State Tax Clearance Certificate or Vendor Compliance Certificate. a. <input type="checkbox"/> Owner b. <input type="checkbox"/> General Partner / Managing Member c. <input type="checkbox"/> Other
14. <input type="checkbox"/>	Certificate of Good Standing (State of HI) or Vendor Compliance Certificate. a. <input type="checkbox"/> Owner b. <input type="checkbox"/> General Partner / Managing Member c. <input type="checkbox"/> Other
15. <input type="checkbox"/>	DLIR Form 27 for the Owner or Vendor Compliance Certificate
16. <input type="checkbox"/>	Corporate Resolution from General Partner / Managing Member
17. <input type="checkbox"/>	Written Certification as to any self-dealings, related parties, or identity of interest
18. <input type="checkbox"/>	Pictures of completed project.
19. <input type="checkbox"/>	Declaration of Restrictive Covenants for Low Income Housing Tax Credits. (Final Draft)
20. <input type="checkbox"/>	Certification from the appropriate regulating entity for the green building standard elected in the Project's consolidated application and scored upon by HHFDC. If the Project only elected solar water heating, architect and contractor certification of the installation and current operation of the solar water heating system
21. <input type="checkbox"/>	Copy of Owner's Letterhead to request a Vendor Number. Applicable only to projects where the return of 40% of the Good Faith Deposit is the first disbursement to the owner from HHFDC.
22. <input type="checkbox"/>	Lessor's Estoppel Certificate (leasehold property)
23. <input type="checkbox"/>	Lessor's Consent to Declaration of Restrictive Covenants for Low Income Housing Tax Credits (leasehold property)
24. <input type="checkbox"/>	RHRF Projects – Executed Collateral Assignment of Management Contract.
25. <input type="checkbox"/>	Current preliminary title search.

## EXHIBIT I



General Requirements:	
26. <input type="checkbox"/>	Property Manager Contact Information: a. Name of Property Manager b. Property Management Company c. Address d. Phone Number e. Email Address
27. <input type="checkbox"/>	State Wage and Hour Requirement - Final Clearance. Finance Staff will confirm final clearance through the Development Branch.

Project Specific Requirements:	
1. <input type="checkbox"/>	

TABLE A

Building	1	2	3	4	TOTAL	
Building Identification Number						
Building Address						
TMK Number						
Type of Building (new const, rehab, acq)						
Square Footage						
Square Footage - % of Total						Square Footage - % of Total
LIHTC Reservation						Total LIHTC Reservation
Eligible Basis						Total Eligible Basis
Placed in Service - Acquisition						
Placed in Service - New Construction / Rehabilitation						

Taxpayer I.D. No.: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_